

DOA Administrative Letter No. 02-5

To: Area Agency on Aging Directors

Subject: **Update on Delay in Allocating SFY 02-03 Home and Community Care Block Grant (HCCBG) Funding and Directive to Suspend Obligation of State Senior Center General Purpose Funding After February 26, 2002**

Date: February 20, 2002

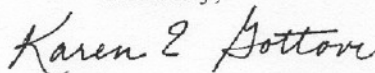
In January, we informed area agencies, county managers, and HCCBG lead agencies through Administrative Letter No. 02-1 that HCCBG allocations were being delayed because of uncertainties in state funding due to the ongoing state budget crisis. To date, the Division still does not know if reductions will be taken in the Home and Community Care Block Grant.

Overall, NCDHHS has an eight percent (8%) reduction quota based on state funds appropriated for the current state fiscal year. While we do not know if any funding reductions will occur in Home and Community Care Block Grant services, we feel that it is prudent for HCCBG county planning committees to consider a seven percent (7%) reduction in total current allocations available through June 30, 2002 and to plan for at least no growth from current levels in services for SFY 02-03, beginning July 1, 2002. **Planning committees should develop contingency plans now. Because the state fiscal year is two-thirds expired, if reductions are required, they will have to be taken quickly.** We recognize that if reductions occur, termination of services to clients may be unavoidable in some circumstances.

Area agencies are directed to notify current and developing senior center programs that State Senior Center General Purpose funding is not to be obligated after February 26, 2002 and that the Division will cease reimbursing senior center general purpose funding after February expenses are paid in March. Under no circumstances are senior centers to draw down unobligated funds. The Division will follow up with any center that appears to be doing so and will also alert the area agency. This action is necessary to help reduce the effect of a potential funding reduction on community-based aging services. We will notify senior centers and area agencies if reimbursement can resume prior to June 30.

Please contact Gary Cyrus with any questions concerning these matters.

Sincerely,



Karen E. Gottovi, Director
Division of Aging

cc: County lead agencies for the Home and Community Care Block Grant
County managers
Senior center directors
DOA Staff
Deborah Atkinson